

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AGR-20 TRSE-00 AID-20 CIAE-00 EB-11

FRB-03 INR-11 NSAE-00 RSC-01 XMB-07 OPIC-12 SP-03

CIEP-03 LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08

CEA-02 L-03 H-03 PA-04 PRS-01 USIA-15 DRC-01 SWF-02

NEA-14 IO-14 /208 W

----- 015886

R 220350Z AUG 74

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 8387

INFO AMEMBASSY BANGKOK

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMCONSUL HONG KONG

USDOC WASHDC

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MANILA FOR USADB

E.O. 11652: N/A

TAGS: EIND, EAID, BM

SUBJECT: BURMESE CONSIDERATION OF MAJOR FERTILIZER PROJECT

REF: RANGOON 2193 (NOTAL)

1. IN CONTEXT OF GUB WILLINGNESS TO ACCEPT PRIVATE FOREIGN PARTICIPATION IN ECONOMIC DEVELOPMENT, AND DESIRE TO ESTABLISH AD HOC CONSORTIA TO FINANCE SPECIFIC MAJOR PROJECTS (REFTEL), DEPRIMIN U LWIN REFERRED SPECIFICALLY TO GUB PLAN FOR MAJOR NEW UREA FERTILIZER PLANT, TO UTILIZE PART OF THE 22 MILLION CFD OF NATURAL GAS NOW BEING FLARED AT THE MANN (MINBU) OIL FIELD. PLANT WOULD HAVE CAPACITY OF 240,000 TO 300,000 TONS A YEAR, REPRESENTING CAPITAL INVESTMENT OF 80-100 MILLION DOLLARS, AND BULK OF PRODUCTION WOULD BE FOR EXPORT. GUB HAS DISCUSSED PROJECT WITH IBRD AND

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TION WOULD BE FOR EXPORT. GUB HAS DISCUSSED PROJECT WITH IBRD AND

ADB MISSIONS. NEITHER INSTITUTION WOULD BE PREPARED TO FUND PROJECT ALONE, BUT BOTH EXPRESSED INTEREST IN PARTICIPATING ALONG WITH OTHER DONORS, APPARENTLY ALONG LINES OF A SIMILAR PROJECT UNDER WAY IN SRI LANKA.

2. VISITING ADB OFFICIAL (ETTLINGER) HAD MENTIONED THIS PROJECT TO ME A FEW WEEKS EARLIER, INQUIRING ABOUT POSSIBILITY OF USG PARTICIPATION. I SAID THERE WERE NO PROSPECTS FOR SUCH PARTICIPATION, AND SIMILARLY HELD OUT NO HOPE DURING CONVERSATION WITH U LWIN. IF PROJECT IS ECONOMICALLY VIABLE, HOWEVER, IT WOULD APPEAR A SUITABLE CANDIDATE FOR U.S. COMMERCIAL OR EXIM-BANK PARTICIPATION IN FINANCING.

3. U LWIN IMPLIED, AND ONE OF HIS OFFICIALS LATER INDICATED MORE EXPLICITLY, THAT THIS MIGHT BE A SUITABLE PROJECT FOR PARTICIPATION BY A PRIVATE U.S. FIRM. EMBASSY BELIEVES MANAGEMENT AND ASSISTANCE IN EXPORT MARKETING BY EXPERIENCED PRIVATE FIRM, WITH OR WITHOUT PARTICIPATION IN FINANCING, WOULD BE ESSENTIAL FOR SUCCESS OF PROJECT, ETD WOULD NATURALLY PREFER TO SEE A U.S. COMPANY INVOLVED.

4. WOULD APPRECIATE FOREGOING BEING PASSED TO U.S. COMPANIES WITH POTENTIAL INTEREST IN FERTILIZER PRODUCTION, WITH SUGGESTION THAT IF INTERESTED THEY CONTACT EMBASSY FOR ADVICE ON HOW TO APPROACH GUB. (WE ARE ALSO INFORMING DIRECTLY THE TWO FIRMS WE KNOW OF WHICH HAVE IN PAST BEEN INTERESTED IN BUYING BURMESE FERTILIZER AND WHICH HAVE TRANSACTED OTHER BUSINESS WITH GUB, PHILIPP BROS. AND INTERNATIONAL MINERALS AND CHEMICALS.) WOULD ALSO WELCOME INFORMATION ON USG OR PRIVATE U.S. PARTICIPATION IN FERTILIZER DEVELOPMENT ELSEWHERE IN REGION.
OSBORN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DEVELOPMENT, FERTILIZERS, PROGRAMS (PROJECTS), INDUSTRIAL PLANTS, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974RANGOO02347
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740231-0403
From: RANGOON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740826/aaaaawbc.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: RANGOON 2193 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 10 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 JUL 2002 by boyleja>; APPROVED <04 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BURMESE CONSIDERATION OF MAJOR FERTILIZER PROJECT
TAGS: EIND, EAID, BM, ADB-1, IBRD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005